



**Director of
Central
Intelligence**

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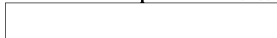
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POLAND: Food Shortages Ahead

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The regime probably will be able to maintain food supplies at current levels for the rest of this year, but some shortages of meat, grain products, and vegetable oil are likely early next year. 

The above-average grain harvest of 21 million tons this year is about 4 million tons below anticipated requirements for 1983. The regime does not have the money or credit to fill the gap with Western imports as it has in the past, and it has thus far procured from farmers only about 46 percent of the 5 million tons planned to be available for human consumption. 


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Production of other food and fodder crops has been poor. The harvest of potatoes--an important livestock feed--is 25 percent below last year. The sugar beet crop is about 15 percent lower. 

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Comment: The poor fodder harvest and the high cost of feedgrain in private markets has led to distress slaughtering--including breeding stock and young animals--which will cause greater meat shortages by early 1983. Shortages of grain products also seem likely, because the Poles probably will import only about 2-2.5 million tons of grain. This will include about 500,000 tons from other East European countries and the USSR. 

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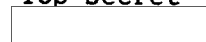
The Poles are trying to arrange barter deals. They will use some of the short-term credits to be provided as part of the bank rescheduling agreement in 1982 to buy grain in the US. The food shortages, combined with higher prices and lower quality, will increase consumer resentment. 

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GREECE: Local Elections End

Socialist-backed candidates won most of the run-off elections yesterday, but their poor showing in major urban areas in preliminary balloting last week nevertheless indicates some dissatisfaction with the performance of Prime Minister Papandreou's government. []

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Run-off elections were held in more than half the country's cities, and in numerous towns and villages. Socialist-backed candidates won in Athens, Salonika, and most other major cities. The Socialists also improved on the already substantial gains they made last week in the traditionally conservative countryside. []

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//Socialist and Communist parties worked together in many cases on the local level to defeat conservative candidates. In several cities where the two parties faced each other, however, Socialist candidates were defeated unexpectedly by Communist opponents.// []

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Comment: The Socialists have claimed an impressive overall victory in the elections, but they almost certainly are worried privately. Their losses on both the left and right in the major cities last week doubtless reflect public unease over the sluggish economy, and the outlook for next year is not promising. []

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Nevertheless, the elections will have little impact on Papandreou's domestic policies or on his pragmatic foreign policy. Despite a probable increase in pressure from an emboldened Communist party, the Prime Minister recognizes that the majority of Greeks--including the military and President Karamanlis--would oppose any drastic changes in foreign policy. []

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The conservative New Democracy party, heartened by the vote last week in the urban areas, was unable to gain the necessary support yesterday for a final victory. Losses in the countryside were probably the result of poor party management and lack of strong grass-roots organization. []

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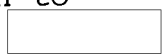


SPAIN: Basque Election Outlook

Moderate regional forces are likely to do well in the three Basque provinces, which will improve prospects both for a solution to the dispute over autonomy and for more effective antiterrorist measures. 

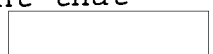
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Comment: Press reports claim that moderate regionalists--already in control of the Basque autonomous government--will expand their parliamentary representation in Madrid in the general election this week. Left-wing regionalist parties probably will not improve their minority status, and the national center-right parties may win only token parliamentary representation. According to the US Embassy, the Socialists are likely at best to pick up one additional deputy in the region. 

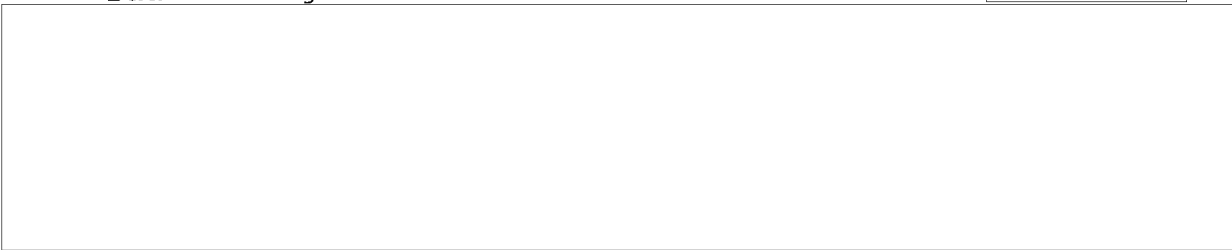
An improvement in the position of the moderate regionalists could enhance chances for a compromise on the potentially explosive issues related to autonomy. The moderates have initiated the protest against limiting autonomy, a stance that stems in part from a fear of losing support to radical regionalists. A strong electoral showing would put the moderates in a better position to compromise with Madrid on the pending legislation. 

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In addition, relations between the moderate regionalists and the Socialists in Madrid recently have improved. The moderates would adopt a more stubborn stance toward Madrid only in the unlikely event that radical regionalists make significant gains. 

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WESTERN EUROPE: Position on CSCE

//EC members are united in support of continuing the CSCE process despite the situation in Poland, but they are divided over specific tactics to adopt at Madrid.//

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//Community members agreed last week that the next session of the talks should review CSCE implementation and include criticism of Poland's martial law regime. Belgium's Special Ambassador on East-West issues reports, however, that the Allies--under French and West German pressure--will work toward a balanced concluding document that is acceptable to all participants and includes a mandate for a European disarmament conference. At the same time, the Belgian official claims that most other EC members will not pursue such an agreement with much determination because they believe attempts to reach a compromise with the Eastern bloc are doomed by the Polish situation.//

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CUBA: Meeting on Debt Rescheduling

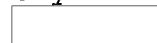
//Representatives from Cuba's principal creditor nations--Spain, France, Italy, Japan, and Sweden--are to meet in Havana late this week to establish ground rules for talks on rescheduling later this year. The US Embassy in Paris reports that the group will seek additional economic information from Cuba.//

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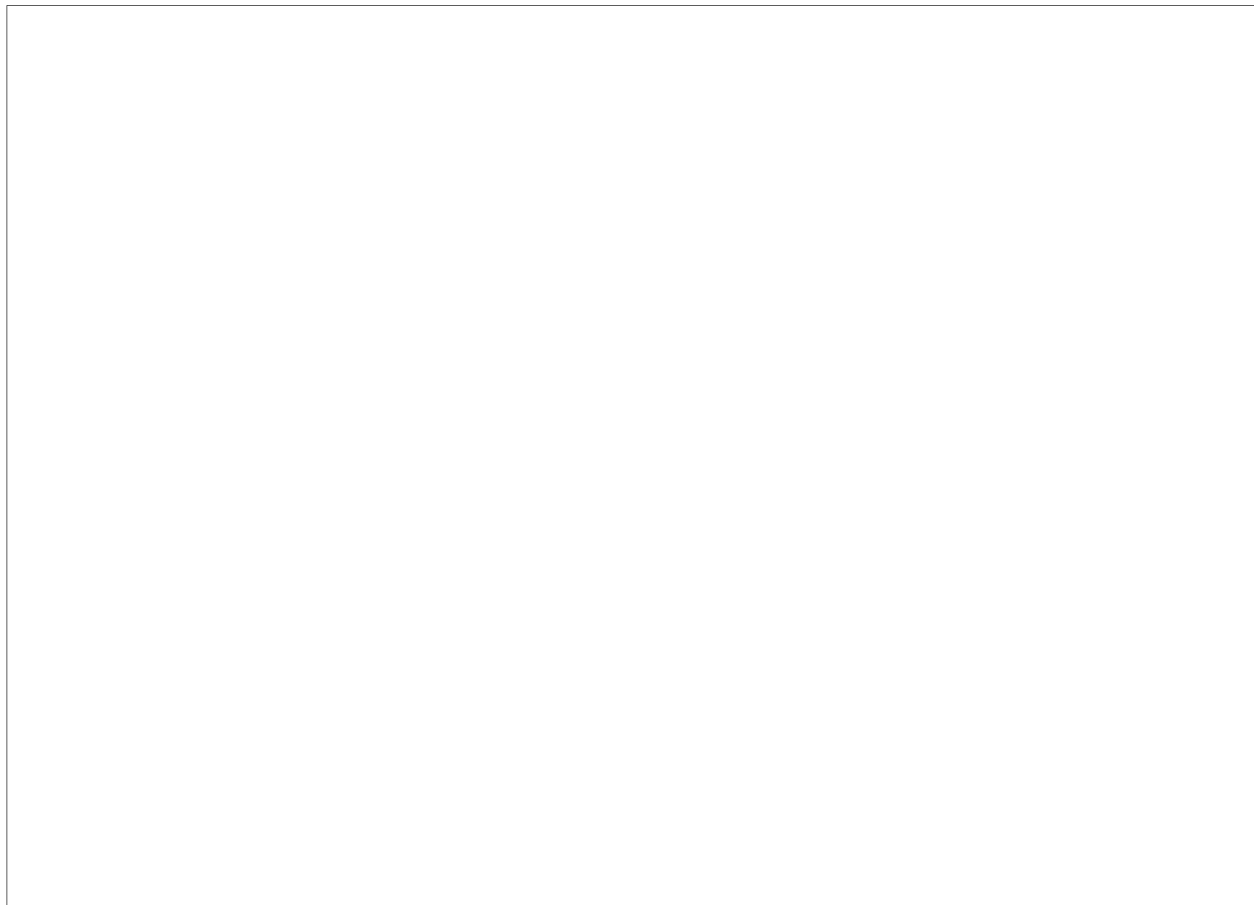


Comment: //The creditor nations probably have not yet determined their final positions for the formal talks. They presumably are dissatisfied with the report by the Cuban National Bank that contains Havana's initial re-scheduling proposal and blames the US and the EC for Cuba's current problems. The creditors are not likely to negotiate until they get enough information.//

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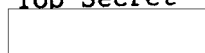


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Special Analysis

FRANCE: Third World Policies

//French leaders, in their recent comments to Third World audiences, have been highly critical of US policies toward less-developed countries. These statements probably have been motivated in part by a need to take positions popular with leftist voters disillusioned by the turn to conservative economic policies and by perceptions of the US as a rival for influence in Africa. Nevertheless, France and the US have a mutual interest in keeping Soviet influence in the Third World to a minimum, and Paris continues to give diplomatic support to US policies in southern Africa and most other Third World areas.// [redacted]

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//Prime Minister Mauroy took the lead in criticizing US policies in his speech to the UN General Assembly on 30 September. He indirectly blamed the US--and the USSR--for the political and economic problems of the Third World.// [redacted]

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//President Mitterrand, at the recent Franco-African summit in Kinshasa, repeated the charge that US policy is partly responsible for the Third World's economic ills. He specifically cited the rise of the dollar and US aid cuts, and he drew an implicit contrast with French willingness to extend political and economic support to African countries. He voiced the same themes in earlier stops in Congo, Rwanda, and Burundi.// [redacted]

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//Foreign Minister Cheysson later claimed during a speech in Dar es Salaam on 13 October that US insistence on linking a settlement in Namibia to a withdrawal of Cuban troops from Angola was the only thing impending an agreement. He added he saw no justification for any such request. The previous day in Nairobi, Cheysson had suggested that the USSR and the US were united in their hostility to African unity and intended to split the OAU.// [redacted]

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Disclaimers and Motives

//French officials have denied that these statements reflect a decision to be openly critical of US policies and actions. One presidential adviser noted that the comments made by Mauroy and Cheysson had not been cleared with Paris. He also said Mitterrand's remarks were a reiteration of long-held views.// [redacted]

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//Mitterrand and other politicians of the left and right have often complained about US exploitation of the dollar's strength. In addition, Cheysson has earned a reputation for intemperate off-the-cuff remarks. Nevertheless, the willingness of the three leaders to draw public distinctions between US and French policy in the Third World suggests that their comments cannot be attributed entirely to lack of coordination.// [redacted]

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//A more likely explanation lies in the mix of domestic political pressures and foreign policy ambitions and interests that influence French leaders. The search for political advantage probably is a major factor and is likely to intensify as municipal elections in March approach.// [redacted]

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//To some extent, French leaders may hope their stronger rhetoric on favorite leftist foreign policy themes will compensate for the government's move toward conservative economic policies. Mitterrand is convinced the failure of earlier Socialist leaders to maintain their credentials as spokesmen for the left was responsible for their decline and for longtime Communist domination of the left.// [redacted]

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//The inclination of some Socialist leaders and diplomats to view the US as a rival in French-speaking Africa probably has contributed to the sniping. Their irritation with US economic sanctions on the pipeline issue also may have contributed to their remarks.// [redacted]

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